Manitoba Lotteries Corporation

Mission

The MLC's Mission is to provide a fun and entertaining gaming experience in a socially responsible manner to generate benefits for all Manitobans.

For Further Information Contact:

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FIRST QUARTER REPORT

FOR THE THREE MONTHS ENDED
JUNE 30, 2008

MANITOBA LOTTERIES CORPORATION
OPERATIONAL HIGHLIGHTS

Manitoba Lotteries Corporation's consolidated net income and comprehensive income for the 3 months ended June 30, 2008 was $84.4 million, an increase of $4.7 million from the same period last year. This change is due to increases of $4.2 million in Video Lotto, $3.4 million in the Casinos offset by a decrease of $2.9 million in Lottery.

Revenue and other income, net of cost of sales, increased $10.4 million from the same period last year. Operating expenses increased $4.3 million over the same period last year. Amortization, interest and GST expenses increased $1.8 over the same period last year, and allocations and payments decreased by $0.4 million.

CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, unaudited)
3 Months Ended June 30th

	2008				2007
	Video Lotto	Casinos	Lottery	Total	Total
Revenue					
Revenue and other income	$93,692	$53,491	$50,504	$197,687	$185,459
Cost of sales	28,937	2,104	34,695	65,736	63,872
	64,755	**51,387**	**15,809**	**131,951**	**121,587**
Expenses					
Operating	2,699	26,802	1,309	30,810	26,577
Amortization	5,818	3,115	-	8,933	6,839
Interest	967	1,774	59	2,800	2,981
Goods and Services Tax	1,186	122	18	1,326	1,453
	10,670	**31,813**	**1,386**	**43,869**	**37,850**
Income before Allocations and Payments	**54,085**	**19,574**	**14,423**	**88,082**	**83,737**
Allocations and Payments	**769**	**1,489**	**1,407**	**3,665**	**4,029**
Net Income and Comprehensive Income	**$53,316**	**$18,085**	**$13,016**	**$84,417**	**$79,708**

MANITOBA LOTTERIES CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, unaudited)
June 30th

	2008	2007
ASSETS		
Current Assets		
Cash	$ 18,497	$ 23,119
Accounts receivable	15,194	14,864
Prepaid expenses	5,142	5,479
Inventories	2,580	2,450
	41,413	45,912
Property and Equipment, and Other Assets	175,218	183,379
	$216,631	$229,291
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accruals	$24,498	$ 19,122
Payable to the Province of Manitoba	9,117	11,708
Current portion of long term debt	12,846	15,504
	46,461	46,334
Long Term Debt	164,791	177,637
Provision for Employee Pension Benefits	379	320
Retained Earnings	5,000	5,000
	$216,631	$229,291